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STATE FOR WHA/AND, NEA/IRAN AND EUR/AGS

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TAGS: [PREL](#) [MARR](#) [PHUM](#) [MASS](#) [ECON](#) [PTER](#) [VE](#) [IR](#) [AU](#)
SUBJECT: DEMARCHE TO AUSTRIA -- GROWING IRAN-VENEZUELA
RELATIONSHIP

REF: STATE 61378

Classified By: Economic-Political Counselor Gregory E. Phillips. Reasons: 1.4 (b) and (d).

¶1. (SBU) EconPolCouns presented reftel points orally to Austrian MFA Americas Director Rudolf Lennkh and Latin America chief Andreas Melan.

¶2. (S) Lennkh said Austria follows the situation in Venezuela very closely, and has also noted with concern the growing relationship between Venezuela and Iran. Presidents Chavez of Venezuela and Ahmedinejad of Iran have both tended to use radical rhetoric, and they seem to be trying to take advantage of opportunities to coordinate their positions.

¶3. (S) On economic issues, Lennkh said it is clear that Venezuela, unlike Cuba, has something important to the world -- namely, its energy resources. Venezuela engages in "checkbox diplomacy" in the Latin American region. Nevertheless, Venezuela's economy is not doing as well as might appear from a look at current high oil prices. Inflation is very high for the Latin American context, and the supply of basic goods to much of the population is "not very satisfactory."

¶4. (S) The political situation within Venezuela is the most worrisome aspect of Chavez's presidency, Lennkh said. Austria sees a continuing erosion of democratic institutions and of pluralism in society. This is a matter of concern to Austria and to the entire EU, Lennkh said. Melan added that Chavez's authoritarian rhetoric is very worrisome.

¶5. (S) On weapons technology, Lennkh and Melan agreed that the signs we indicated were problematical. They asked for any further details on weapons ties between the countries. We noted that, even if Venezuela's military reach were "only" regional, this was a matter of grave concern to us because Venezuelan actions were destabilizing to neighboring countries. We stressed that Venezuelan support for arms transfers would be counter to UN Security Council Resolutions 1737 and 1747.

¶6. (S) Lennkh and Melan agreed that support for Iran's nuclear technology is highly troubling. However, they questioned whether Venezuela had anything to offer beyond financial support (which, they agreed, was already a problem).
McCaw